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C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 000672

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TAGS: [PREL](#) [KPAL](#) [EU](#)

SUBJECT: ISRAEL DEPUTY FOREIGN MINISTER AYALON DISCUSSES
MIDDLE EAST PEACE WITH EU POLITICAL AND SECURITY COMMITTEE
AMBASSADORS

Classified By: Political Minister-Counselor Chris Davis for reasons 1.5
(b) and (d)

¶1. (C) Summary: The Deputy Foreign Minister of Israel, Daniel Ayalon, met for two and a half hours in an informal May 7 session with ambassadors who make up the EU's 28-member Political and Security Committee (PSC), which helps set EU common foreign and security policy. Several EU diplomats and the Israeli DCM in Brussels said the meeting went better than might have been expected, but noted consternation over Ayalon's seeming link between Israel's willingness to compromise on settlements and Palestinian willingness to compromise on the right of return. The EU reiterated its call for the new Israeli government to make a commitment to a two-state solution, to stop expansion of settlements, demolitions, and expulsions, and to open Gaza. Ayalon focused in his opening statement on what he called growing agreement in the Middle East on the threat posed by Iran, but said Israel does not want to make a link between solving the Palestinian problem and dealing with Iran. The issue of upgrading EU-Israel relations was addressed only briefly in the question and answer period, and no significant progress is expected in the near future. End Summary

¶2. (C) According to readouts from Czech (the current EU presidency), Swedish (the incoming EU presidency), Spanish and Israeli diplomats, Ayalon's two-and-a-half hour meeting with the PSC was cordial, but some EU member states left unhappy with Ayalon's overall message. The meeting opened with the Czech presidency emphasizing the importance of Israel as a partner to the EU and clearly reiterating the EU's position on Middle East peace efforts: a commitment to a two state solution, a call for Israel to stop settlement activity, to accept previous commitments, and to open Gaza.

¶3. (C) Ayalon opened his lengthy statement by emphasizing the importance Israel attaches to its EU ties--noting that Foreign Minister Avigdor Lieberman was visiting several EU countries at the same time as he was in Brussels. He thanked the EU for its work with the Palestinian Authority (PA) and its efforts to strengthen the PA president and prime minister as contributing to the strategic effort to stop radicalization in the West Bank and Gaza. He paid considerable attention to Iran, arguing that there is "shifting ground" in the Middle East, with growing agreement among Arab states on the danger posed by Iran. The recent visit to Israel by Egyptian intelligence chief Omar Suleiman revealed close agreement on the dangers posed by Iran, Hamas and Hezbollah. Ayalon said Iran is undermining efforts at peace, but the Israeli government does not want to link the two issues. Israel wanted to "approach the Palestinian issue as if there were no Iran issue," and vice versa. Several EU ambassadors disagreed, with the Irish ambassador arguing that promoting the Palestinian track would significantly strike at Iran's efforts to derail peace.

¶4. (C) Ayalon told the PSC ambassadors that the new Israeli

government should have a comprehensive policy on its approach to negotiations prepared by the time of Prime Minister Netanyahu's visit to the U.S. He said a distinction would be made between how Israel will approach the West Bank and Gaza.

He deplored what he called the "asymmetry" between how Israel sees the Palestinians and how the Palestinians see Israel, and decried what he described as the PA's criticism of Israel in front of Europeans, even though it works closely with Israel on West Bank security.

15. (C) Ayalon claimed that Israel has made many compromises and efforts toward peace while the Palestinians have made none. He said the new Israeli government would remain bound by previous commitments and that "if we want to achieve a two-state solution, settlements have to be put into the mix--but settlements are not the only issue." He said Israel had taken several steps since 1993, including evacuating parts of the West Bank and undertaking government public information campaigns, with the result that Israelis support the idea of a Palestinian state. He complained that the Palestinians have not made such concessions: they have not given up territories, have not given up on settlements, and have not given up on the right of return--a very threatening issue for Israel.

16. (C) He then stated that "in the new architecture we are building it should be clear at the end of the day there will be a state for one (group) and a state for another." He said that if thousands of Arabs remain in Israel there would be a danger of "Balkanization." Pressing the point, Ayalon said that if two states are to be created, "Arabs should acknowledge that Israel is a Jewish state." He argued Israel

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needed to "maintain its core values and identity," and suggested Palestinians would have to give up the right of return.

17. (C) Ayalon said the new Israeli government wants to improve the economic and security situation in the West Bank, and is willing to work with the PA to stop terrorist attacks.

Israel wants, he said, to work closely with the U.S. and the EU to promote open and democratic elections in 2010 that will lead to the victory of moderates. He said the situation in Gaza was more complex, with Hamas representing Iranian interests. He said there was agreement on the flow of humanitarian goods but construction goods are still problematic as Hamas would take advantage of these.

18. (C) According to one member state diplomat, EU member states were very united at the meeting in presenting the EU's message of its policy, but divisions showed in the discussion over Iran. One ambassador reportedly challenged Ayalon's expression that the Israeli government did not want to see a linkage between dealing with Iran and arriving at an agreement with the Palestinians, arguing that the unsettled situation in the Occupied Territories opened the door for Iranian meddling.

19. (C) Comment: A diplomat from one member state summed up the meeting with the remark that Ayalon gave a "very smooth presentation...but unfortunately it was not what we wanted to hear." There was disappointment that he made no commitment to a two-state solution, and particular concern over the implications for the Arab-Israeli population in the Netanyahu government's emphasis on Arab acceptance of Israel as a Jewish state. This concern was heightened given Ayalon's linkage of compromise on settlements with compromise on the right of return. The issue of upgrading relations came up only briefly and, according to the Israeli DCM, remains largely "on hold." There remains within the EU a sense of anticipation with regard to Netanyahu's upcoming visit to Washington, but a sense of disappointment and concern over what progress can be made. End Comment.

Murray

